

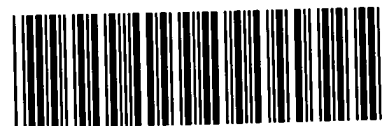
Registration number: 09110859

# Apex Lifts (Group) Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 August 2020

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# **Apex Lifts (Group) Limited**

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# **Apex Lifts (Group) Limited**

## **Company Information**

<b>Director</b>	W Jenchner
<b>Registered office</b>	Art's House Banks Lane BEXLEYHEATH Kent DA6 7BH
<b>Auditors</b>	McBrides Accountants LLP Nexus House Cray Road Sidcup Kent DA14 5DA

## **Apex Lifts (Group) Limited**

### **Strategic Report for the Year Ended 31 August 2020**

The director presents his strategic report for the year ended 31 August 2020.

#### **Principal activity**

The group continued to operate as lift and escalator engineers within the United Kingdom.

#### **Fair review of the business**

A strong performance by the group continued during the year, securing its position as one of the largest independent lift businesses serving London and the South East.

The upturn in the installation market from last year continued through to the current year. The group's reputation has been further strengthened by the completion of some notable London projects. Our order book remains healthy and the company continues to receive positive leads for further modernisation works in 2021.

Turnover increased by 14.6% on last year to £18,849,803, largely as a result of a growth in lift modernisation works. Gross profit margins improved on the previous year reflecting more efficient working practices and continued close control of direct costs.

In the lift maintenance sector, we continued to see the pattern set several years ago, where new and repeat business is mostly price focused. We expect this pattern to continue for the foreseeable future fuelled by excess office capacity in London as some businesses extend the practice of allowing office employees to work from home. The group's strategy however continues to be one of resisting the low-priced market and remain focused on providing high-quality services at a reasonable price.

Lift repairs activity continued at similar levels to last year with similar profit margins.

A strong balance sheet and close monitoring of working capital remained a key financial objective for the group. This was reflected in net assets of £5.946m for the year. Cash and working capital remained at expected levels throughout the year allowing the business to fund mobilisation of large value projects.

#### **Key performance indicators**

The group's key financial performance indicators during the year were as follows:

- Turnover growth of £2,406,359 on the previous year (14.6%).
- Gross Profit increased by £779,955 on 2019 to £4,480,163
- Profit before tax increased by 51% on 2019, ending at £701,405
- Profit after tax improved ending at £553,435 for the year (2019: £376,954).

## Apex Lifts (Group) Limited

### Strategic Report for the Year Ended 31 August 2020

#### Principal risks and uncertainties

##### Commercial Risks

The director reviews the environments in which the group operates to reduce the commercial risk to the business.

Health and Safety is the top priority of the management team. The group constantly assesses risk management and promotes a culture of collaboration with its employees to improve safety awareness by holding regular safety forums.

##### Financial Risks

The director is aware of the impact on the business if a large customer was to encounter financial difficulties as can happen in the construction industry and reserves are held to mitigate these effects in the first instance. The group continues to perform financial checks before entering large contracts with new clients and ensures staged payments are made at regular intervals to reduce financial risk. Existing clients' financial circumstances are continuously monitored using third party web-based applications.

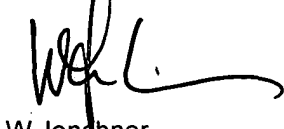
##### Impact of Covid-19 pandemic

The Covid pandemic temporarily interrupted business activity for 2 months during the Spring, as construction sites were forced to close. However, the group was quick to put in place measures which promoted safe working practices. This allowed essential maintenance and lift refurbishment to continue to fully operate. The group continues to operate fully and we have not detected a downturn in sales enquiries or order activity.

##### Impact of leaving the European Union

Group sales are all UK based. However, some goods are imported from EU countries. We have considered the effects of a no trade agreement with the EU. There may be delays to the supply chain and there is a possibility of increased costs if the UK Government places tariffs on imported goods. However, the volume of imported goods is relatively small and we do not believe that failure to reach a trade agreement with the EU will have a significant impact on trading.

Approved by the Board on 30/11/20 and signed on its behalf by:



W Jendhner  
Director

## **Apex Lifts (Group) Limited**

### **Director's Report for the Year Ended 31 August 2020**

The director presents his report and the consolidated financial statements for the year ended 31 August 2020.

#### **Director of the group**

The director who held office during the year was as follows:

W Jenchner

#### **Dividends**

The director does not recommend the payment of a final dividend.

#### **Financial instruments**

##### ***Objectives and policies***

The group has financial assets and liabilities including trade debtors and trade creditors arising directly from operations.

Investments of cash surpluses and borrowings are made through banks and institutions which must fulfil credit rating criteria approved by the Board. All customers who wish to trade on credit terms are subject to credit verification procedures and trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

##### ***Price risk, credit risk, liquidity risk and cash flow risk***

The group operates a treasury function which is responsible for managing the liquidity and interest risks associated with its operations.

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring it has sufficient liquid resources to meet the operating needs of the business.

The group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on its borrowings and loans.

#### **Future developments**

The group and company are expected to operate within the scope of their existing activities for the foreseeable future.

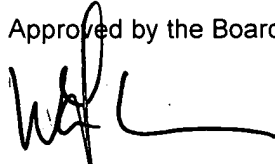
## Apex Lifts (Group) Limited

### Director's Report for the Year Ended 31 August 2020

#### Disclosure of information to the auditor

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditor is unaware.

Approved by the Board on 30/11/20 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'W Jenchner', with a long horizontal stroke extending to the right.

W Jenchner  
Director

## **Apex Lifts (Group) Limited**

### **Statement of Director's Responsibilities**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Apex Lifts (Group) Limited**

### **Independent Auditor's Report to the Members of Apex Lifts (Group) Limited**

#### **Opinion**

We have audited the financial statements of Apex Lifts (Group) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2020, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 August 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

## **Apex Lifts (Group) Limited**

### **Independent Auditor's Report to the Members of Apex Lifts (Group) Limited**

We have nothing to report in this regard.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Director's Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of the director**

As explained more fully in the Statement of Director's Responsibilities (set out on page 6), the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **Apex Lifts (Group) Limited**

### **Independent Auditor's Report to the Members of Apex Lifts (Group) Limited**

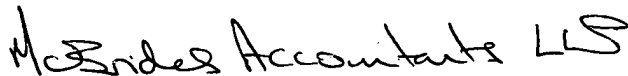
#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nick Paterno (Senior Statutory Auditor)  
For and on behalf of McBrides Accountants LLP, Statutory Auditor

Nexus House  
Cray Road  
Sidcup  
Kent  
DA14 5DA

Date: 01/12/20

## Apex Lifts (Group) Limited

### Consolidated Profit and Loss Account for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Turnover	3	18,849,803	16,443,444
Cost of sales		<u>(14,369,640)</u>	<u>(12,743,236)</u>
Gross profit		4,480,163	3,700,208
Administrative expenses		(4,071,240)	(3,320,075)
Other operating income	4	<u>288,388</u>	<u>89,520</u>
Operating profit		697,311	469,653
Other interest receivable and similar income	6	4,094	5,861
Interest payable and similar charges	7	<u>-</u>	<u>(10,863)</u>
Profit before tax		701,405	464,651
Taxation	11	<u>(147,970)</u>	<u>(87,697)</u>
Profit for the financial year		<u><u>553,435</u></u>	<u><u>376,954</u></u>

No Statement of Comprehensive Income has been presented as there is no movement through other comprehensive income for the year.

# Apex Lifts (Group) Limited

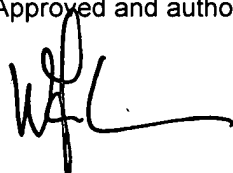
(Registration number: 09110859)

## Consolidated Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	12	176,142	240,913
Tangible assets	13	352,814	277,774
Investment property	14	<u>1,107,387</u>	<u>1,107,387</u>
		<u>1,636,343</u>	<u>1,626,074</u>
<b>Current assets</b>			
Stocks	16	581,959	844,361
Debtors	17	5,853,690	4,960,101
Cash at bank and in hand	18	<u>1,922,761</u>	<u>2,229,408</u>
		8,358,410	8,033,870
Creditors: Amounts falling due within one year	19	<u>(3,993,965)</u>	<u>(4,210,055)</u>
Net current assets		<u>4,364,445</u>	<u>3,823,815</u>
Total assets less current liabilities		6,000,788	5,449,889
Provisions for liabilities		<u>(54,969)</u>	<u>(36,688)</u>
Net assets		<u>5,945,819</u>	<u>5,413,201</u>
<b>Capital and reserves</b>			
Called up share capital	20	17,200	17,200
Share premium reserve		4,482,586	4,482,586
Retained earnings		<u>1,446,033</u>	<u>913,415</u>
Total equity		<u>5,945,819</u>	<u>5,413,201</u>

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

Approved and authorised by the director on 30/11/20



W Jerchner  
Director

The notes on pages 16 to 32 form an integral part of these financial statements.

# Apex Lifts (Group) Limited

(Registration number: 09110859)  
Balance Sheet as at 31 August 2020

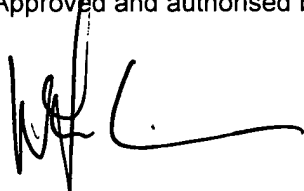
	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investment property	14	1,107,387	1,107,387
Investments	15	<u>4,499,986</u>	<u>4,499,986</u>
		<u>5,607,373</u>	<u>5,607,373</u>
<b>Current assets</b>			
Cash at bank and in hand		136,764	54,264
<b>Creditors: Amounts falling due within one year</b>	19	<u>(52,311)</u>	<u>(303,035)</u>
<b>Net current assets/(liabilities)</b>		<u>84,453</u>	<u>(248,771)</u>
<b>Net assets</b>		<u>5,691,826</u>	<u>5,358,602</u>
<b>Capital and reserves</b>			
Called up share capital	20	17,200	17,200
Share premium reserve		4,482,586	4,482,586
Profit and loss account		<u>1,192,040</u>	<u>858,816</u>
<b>Total equity</b>		<u>5,691,826</u>	<u>5,358,602</u>

The company has taken the exemption in s408 from producing an individual Profit and Loss Account.

The company made a profit after tax for the financial year of £354,041 (2019 - profit of £177,999).

Under the Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

Approved and authorised by the director on 30/11/20



W Jenchner  
Director

## Apex Lifts (Group) Limited

### Consolidated Statement of Changes in Equity for the Year Ended 31 August 2020

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 September 2019	17,200	4,482,586	913,415	5,413,201
Profit for the year	-	-	553,435	553,435
Total comprehensive income	-	-	553,435	553,435
Dividends	-	-	(20,817)	(20,817)
At 31 August 2020	17,200	4,482,586	1,446,033	5,945,819

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 September 2018	17,200	4,482,586	549,901	5,049,687
Profit for the year	-	-	376,954	376,954
Total comprehensive income	-	-	376,954	376,954
Dividends	-	-	(13,440)	(13,440)
At 31 August 2019	17,200	4,482,586	913,415	5,413,201

The notes on pages 16 to 32 form an integral part of these financial statements.

## Apex Lifts (Group) Limited

### Statement of Changes in Equity for the Year Ended 31 August 2020

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 September 2019	17,200	4,482,586	858,816	5,358,602
Profit for the year	-	-	354,041	354,041
Total comprehensive income	-	-	354,041	354,041
Dividends	-	-	(20,817)	(20,817)
At 31 August 2020	17,200	4,482,586	1,192,040	5,691,826

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 September 2018	17,200	4,482,586	694,257	5,194,043
Profit for the year	-	-	177,999	177,999
Total comprehensive income	-	-	177,999	177,999
Dividends	-	-	(13,440)	(13,440)
At 31 August 2019	17,200	4,482,586	858,816	5,358,602

The notes on pages 16 to 32 form an integral part of these financial statements.

## Apex Lifts (Group) Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Profit for the year		553,435	376,954
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	166,154	99,602
Profit on disposal of property plant and equipment		-	(22,216)
Finance income	6	(4,094)	(5,861)
Finance costs	7	-	10,863
Corporation tax	11	147,970	87,697
		<u>863,465</u>	<u>547,039</u>
Working capital adjustments			
Decrease/(increase) in stock	16	262,402	(177,846)
Increase in trade and other debtors	17	(893,589)	(1,228,303)
(Decrease)/increase in trade and other creditors	19	(294,770)	1,501,182
		<u>(62,492)</u>	<u>642,072</u>
Cash generated from operations		(62,492)	642,072
Corporation taxes paid	11	(51,009)	(80,046)
Net cash flow from operating activities		<u>(113,501)</u>	<u>562,026</u>
<b>Cash flows from investing activities</b>			
Interest received		4,094	5,861
Acquisitions of property plant and equipment		(176,423)	(305,204)
Proceeds from sale of property plant and equipment		-	27,299
		<u>(172,329)</u>	<u>(272,044)</u>
Net cash flows from investing activities		(172,329)	(272,044)
<b>Cash flows from financing activities</b>			
Interest paid	7	-	(10,863)
Repayment of bank borrowing		-	(575,111)
Dividends paid		(20,817)	(13,440)
		<u>(20,817)</u>	<u>(599,414)</u>
Net cash flows from financing activities		(20,817)	(599,414)
Net decrease in cash and cash equivalents		(306,647)	(309,432)
Cash and cash equivalents at 1 September		2,229,408	2,538,840
Cash and cash equivalents at 31 August	18	<u>1,922,761</u>	<u>2,229,408</u>

The notes on pages 16 to 32 form an integral part of these financial statements.

## **Apex Lifts (Group) Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **1 General information**

The company is incorporated and domiciled in England and Wales.

The principal activity of the company is disclosed in the Strategic Report.

The address of its registered office and principal place of business is:

Art's House  
Banks Lane  
BEXLEYHEATH  
Kent  
DA6 7BH  
England

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 August 2020.

## **Apex Lifts (Group) Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

No profit or loss account is presented for the company as permitted by Section 408 of the Companies Act 2006.

#### **Going concern**

After reviewing the group's forecasts and projections and taking into account the risks and uncertainties described in the Strategic Report, the director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historic experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Specifically, judgements and estimates are required in determining the useful economic lives of fixed assets, the valuation of long term contracts and the recoverability of trade debtors.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## **Apex Lifts (Group) Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the group's activities.

#### **Long term contracts**

Profit on long term contracts is recognised where a proportion of the contract has been achieved and there is a right to consideration.

Costs incurred on contracts where work has not commenced and also on other contracts where there is no right to consideration are included as work in progress.

#### **Government grants**

The company has adopted the accrual model for accounting for government grants. Grants relating to revenue are recognised in income on a systematic basis over the same period as the related costs for which the grant is intended to compensate. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

#### **Tax**

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted.

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity.

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Research & development**

Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

## Apex Lifts (Group) Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	20% and 25% straight line
Plant and machinery	25% straight line
Motor vehicles	25% reducing balance and 25% straight line

#### Investment property

Investment properties are initially recognised at cost and thereafter at fair value in accordance with FRS102.

#### Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Goodwill is amortised over its useful economic life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10% straight line
Development costs	Straight line over the period expected to benefit. Useful life to be determined on completion of project.

#### Investments

Investments in subsidiaries are stated at cost less diminution in value.

## **Apex Lifts (Group) Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **Financial instruments**

##### ***Classification***

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Financial assets are classified as financial assets at fair value through profit or loss, loans and debtors, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The group determines the classification of its financial assets at initial recognition.

Financial liabilities are classified as financial liabilities at fair value through profit and loss, loans and borrowings, trade and other creditors, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

##### ***Recognition and measurement***

All financial assets are recognised initially at fair value plus transaction costs. Thereafter financial instruments are stated at amortised cost using the effective interest rate method (less impairment where appropriate) unless the effect of discounting would be immaterial in which case they are stated at cost (less impairment where appropriate). The exception to this are those financial instruments where it is a requirement to continue recording them at fair value through profit and loss.

##### ***Impairment***

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been affected.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade and other debtors**

Trade and other debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment, except where the effect of discounting would be immaterial. In such cases debtors are stated at transaction price less impairment losses. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the contract.

## Apex Lifts (Group) Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### Trade and other creditors

Trade and other creditors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, except where the effect of discounting would be immaterial. In such cases creditors are stated at transaction price.

#### Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### Dividends

Dividend distributions to the group's shareholders are recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

### 3 Turnover

The analysis of the group's turnover for the year from continuing operations is as follows:

	2020	2019
	£	£
Lift engineering	<u>18,849,803</u>	<u>16,443,444</u>

The analysis of the group's turnover for the year by market is as follows:

	2020	2019
	£	£
UK	<u>18,849,803</u>	<u>16,443,444</u>

## Apex Lifts (Group) Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2020 £	2019 £
Government grants	194,749	-
Rental income	93,639	89,520
	<u>288,388</u>	<u>89,520</u>

#### 5 Operating profit

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	101,383	76,299
Amortisation expense	64,771	23,303
Profit on disposal of property, plant and equipment	<u>-</u>	<u>(22,216)</u>

#### 6 Other interest receivable and similar income

	2020 £	2019 £
Interest income on bank deposits	4,094	5,092
Other finance income	<u>-</u>	<u>769</u>
	<u>4,094</u>	<u>5,861</u>

#### 7 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and borrowings	<u>-</u>	<u>10,863</u>

# Apex Lifts (Group) Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 8 Staff costs

The aggregate payroll costs (including director's remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	5,213,143	4,969,274
Social security costs	553,565	544,494
Pension costs, defined contribution scheme	165,753	126,924
	<u>5,932,461</u>	<u>5,640,692</u>

The average number of persons employed by the group (including the director) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Installation, breakdown & maintenance	75	76
Administration and support	42	41
	<u>117</u>	<u>117</u>

### 9 Director's remuneration

The director's remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	<u>392,696</u>	<u>232,377</u>

### 10 Auditors' remuneration

	2020 £	2019 £
Audit of these financial statements	<u>11,950</u>	<u>11,950</u>

## Apex Lifts (Group) Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 11 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax	129,689	51,009
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>18,281</u>	<u>36,688</u>
Tax expense in the income statement	<u>147,970</u>	<u>87,697</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>701,405</u>	<u>464,651</u>
Corporation tax at standard rate	133,267	88,284
Effect of expense not deductible in determining taxable profit (tax loss)	7,812	5,591
Deferred tax movement	18,281	36,688
Tax increase (decrease) from effect of capital allowances and depreciation	(8,969)	(24,723)
Tax increase (decrease) from effect of adjustment in research and development	<u>(2,421)</u>	<u>(18,143)</u>
Total tax charge	<u>147,970</u>	<u>87,697</u>

## Apex Lifts (Group) Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### Deferred tax

##### Group

Deferred tax assets and liabilities

	Liability £
<b>2020</b>	
Difference between accumulated depreciation and amortisation and capital allowances	<u>54,969</u>
<b>2019</b>	
Difference between accumulated depreciation and amortisation and capital allowances	<u>36,688</u>

The deferred tax balance is measured at 19% (2019: 17%).

Based on current capital investment plans, the company expects future timing differences between depreciation and capital allowances to remain at a similar level to the current year.

#### 12 Intangible assets

##### Group

	Goodwill £	Development costs £	Total £
<b>Cost or valuation</b>			
At 1 September 2019	<u>233,025</u>	<u>124,403</u>	<u>357,428</u>
At 31 August 2020	<u>233,025</u>	<u>124,403</u>	<u>357,428</u>
<b>Amortisation</b>			
At 1 September 2019	116,515	-	116,515
Amortisation charge	<u>23,303</u>	<u>41,468</u>	<u>64,771</u>
At 31 August 2020	<u>139,818</u>	<u>41,468</u>	<u>181,286</u>
<b>Carrying amount</b>			
At 31 August 2020	<u>93,207</u>	<u>82,935</u>	<u>176,142</u>
At 31 August 2019	<u>116,510</u>	<u>124,403</u>	<u>240,913</u>

# Apex Lifts (Group) Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 13 Tangible assets

#### Group

	Leasehold improvements £	Motor vehicles £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2019	109,935	192,032	461,306	763,273
Additions	5,650	121,225	49,548	176,423
At 31 August 2020	115,585	313,257	510,854	939,696
<b>Depreciation</b>				
At 1 September 2019	109,935	72,622	302,942	485,499
Charge for the year	117	44,403	56,863	101,383
At 31 August 2020	110,052	117,025	359,805	586,882
<b>Carrying amount</b>				
At 31 August 2020	5,533	196,232	151,049	352,814
At 31 August 2019	-	119,410	158,364	277,774

# Apex Lifts (Group) Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 14 Investment properties

#### Group and Company

	2020 £
At 1 September 2019	1,107,387
At 31 August 2020	<u>1,107,387</u>

The carrying value above is the amount paid for the property in October 2014, although a valuation performed by an external Chartered Surveyor as of 7 October 2019 gave rise to a valuation which was not materially different.

The basis of the valuation was 'market value' in accordance with the RICS Valuation Standards as stated with The Red Book including Valuation Technical and Performance Standards (VPS) which, in the opinion of the director, is not materially different to 'Fair value'

The investment property is partly let to third parties and partly used by the group. In accordance with FRS102, the part used by the group might have been disclosed within "other tangible assets" rather than as "investment property". However, the director feels that because the revaluation model has been adopted, no additional benefit is gained by splitting it out into separate categories.

### 15 Investments

#### Company

	2020 £	2019 £
Investments in subsidiaries	<u>4,499,986</u>	<u>4,499,986</u>

#### Subsidiaries

#### Cost or valuation

At 1 September 2019 and at 31 August 2020	<u>4,499,986</u>
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## Apex Lifts (Group) Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation Holding		Proportion of voting rights and shares held 20202019	
Subsidiary undertakings				
Apex Lift & Escalator Engineers Limited	England	Ordinary	100%	100%
Apex Lift Services Limited	England	Ordinary	100%	100%
Apex Lifts Limited	England	Ordinary	100%	100%

The principal activity of Apex Lift & Escalator Engineers Limited is the servicing, maintenance and installation of lifts and escalators.

The remaining subsidiaries are dormant companies held indirectly as investments via Apex Lift & Escalator Engineers Limited.

#### 16 Stocks

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Raw materials and consumables	101,990	101,404	-	-
Work in progress	479,969	742,957	-	-
	<u>581,959</u>	<u>844,361</u>	<u>-</u>	<u>-</u>

#### 17 Debtors

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	5,684,153	4,768,581	-	-
Other debtors	15,448	41,664	-	-
Prepayments	154,089	149,856	-	-
Total current trade and other receivables	<u>5,853,690</u>	<u>4,960,101</u>	<u>-</u>	<u>-</u>

# Apex Lifts (Group) Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### 18 Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Cash at bank	<u>1,922,761</u>	<u>2,229,408</u>	<u>136,764</u>	<u>54,264</u>

### 19 Creditors

		Group		Company	
	Note	2020	2019	2020	2019
		£	£	£	£
<b>Due within one year</b>					
Trade creditors		1,711,023	1,787,336	-	-
Amounts due to group undertakings		-	-	29,761	282,555
Social security and other taxes		625,307	622,861	-	-
Accruals and deferred income		1,527,946	1,748,849	6,875	6,875
Corporation tax	11	<u>129,689</u>	<u>51,009</u>	<u>15,675</u>	<u>13,605</u>
		<u>3,993,965</u>	<u>4,210,055</u>	<u>52,311</u>	<u>303,035</u>

### 20 Share capital

#### Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
A ordinary of £1 each	12,000	12,000	12,000	12,000
B ordinary redeemable of £0.10 each	2,000	200.00	2,000	200.00
C ordinary redeemable of £0.10 each	<u>50,000</u>	<u>5,000.00</u>	<u>50,000</u>	<u>5,000.00</u>
	<u>64,000</u>	<u>17,200</u>	<u>64,000</u>	<u>17,200</u>

#### Rights, preferences and restrictions

A ordinary shares have the following rights, preferences and restrictions:

The shares have attached to them full voting, dividend and capital distribution including winding up rights.

B ordinary and C ordinary shares have the following rights, preferences and restrictions:

The shares are redeemable ordinary shares, redeemable at par value but no set date of redemption. They have no voting rights and are not entitled to participate in the distribution of surplus assets.

## Apex Lifts (Group) Limited

### Notes to the Financial Statements for the Year Ended 31 August 2020

#### 21 Obligations under leases

##### Group

##### Operating leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	227,559	263,531
Later than one year and not later than five years	380,351	502,852
Later than five years	763,125	845,625
	<u>1,371,035</u>	<u>1,612,008</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £276,477 (2019 - £297,605).

##### Operating leases - lessor

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	25,413	60,992
Later than one year and not later than five years	-	25,413
	<u>25,413</u>	<u>86,405</u>

##### Company

##### Operating leases - lessor

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	82,500	82,500
Later than one year and not later than five years	330,000	330,000
Later than five years	763,125	845,625
	<u>1,175,625</u>	<u>1,258,125</u>

## **Apex Lifts (Group) Limited**

### **Notes to the Financial Statements for the Year Ended 31 August 2020**

#### **22 Pension and other schemes**

##### **Defined contribution pension scheme**

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £165,753 (2019 - £126,924).

#### **23 Dividends**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interim dividend of £0.3086 (2019: £0.3086) per ordinary A share		
and £8.5565 (2019: £4.868) per ordinary B share	<u>20,817</u>	<u>13,440</u>

#### **24 Related party transactions**

The group's investment property is jointly owned by a private pension scheme in which W Jenchner is the beneficiary.

# Apex Lifts (Group) Limited

## Notes to the Financial Statements for the Year Ended 31 August 2020

### Group

#### Key management compensation

	2020 £	2019 £
Dividend	<u>20,817</u>	<u>13,440</u>

#### Transactions with directors

	At 1 September 2019 £	Advances to directors £	Repayments by director £	Other payments made to company by director £	At 31 August 2020 £
<b>2020</b>					
Directors' loan account	<u>32,100</u>	<u>-</u>	<u>(32,100)</u>	<u>-</u>	<u>-</u>
	At 1 September 2018 £	Advances to directors £	Repayments by director £	Other payments made to company by director £	At 31 August 2019 £
<b>2019</b>					
Directors' loan account	<u>32,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,100</u>

Directors' loans are interest free and repayable on demand.

#### Expenditure with and payables to related parties

	Other related parties £
<b>2020</b>	
Leases	<u>82,500</u>
	Other related parties £
<b>2019</b>	
Leases	<u>82,500</u>

### 25 Control

The ultimate controlling party is W Jenchner by virtue of his control of the majority of the voting rights.